T-NEX Overview

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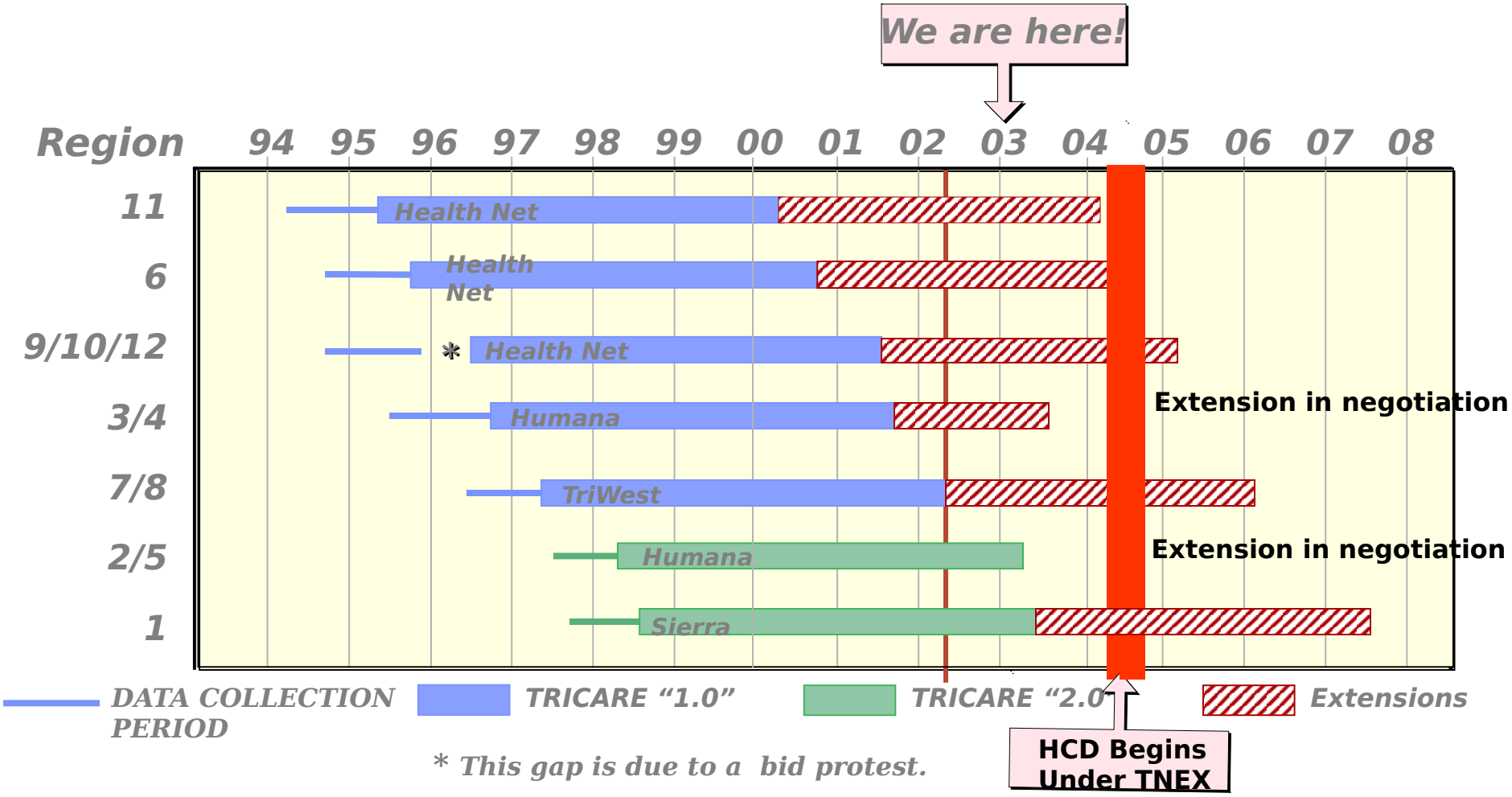
Agenda

- ***Why new contracts?***
- ***What is T-NEX?***
- ***What Stays the Same/What Changes***
- ***New Governance***
- ***Significance of the MTF Business Plan***

WHY CHANGE FROM CURRENT CONTRACTS???

TRICARE Regional Contracting



* This gap is due to a bid protest.

What is T-NEX ??

T-NEX is the next generation of TRICARE contracts characterized by:

Multiple Contracts

Carve-Outs

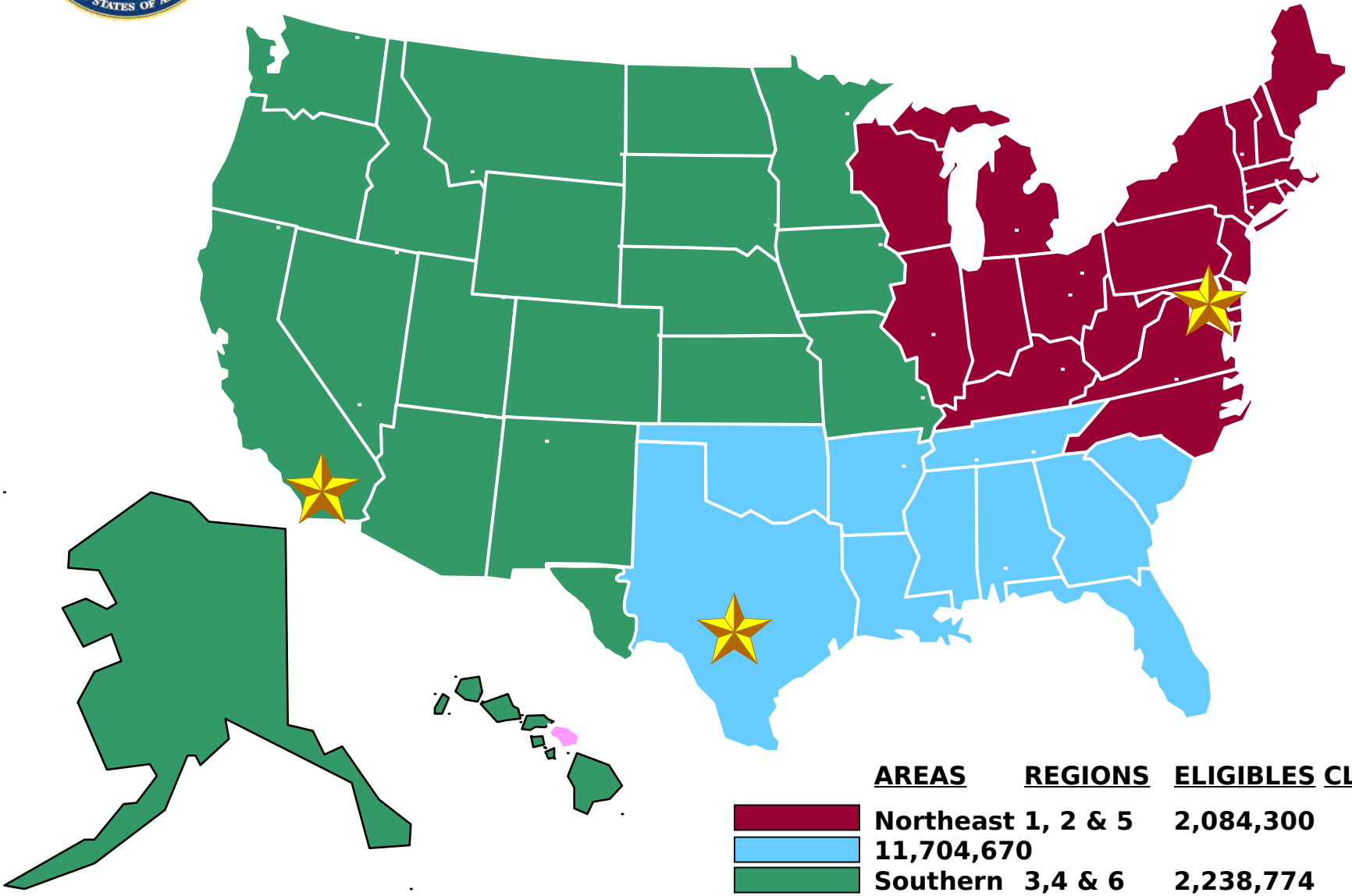
Regional Restructure

Simultaneous Transitions

T-Nex Carve-Outs

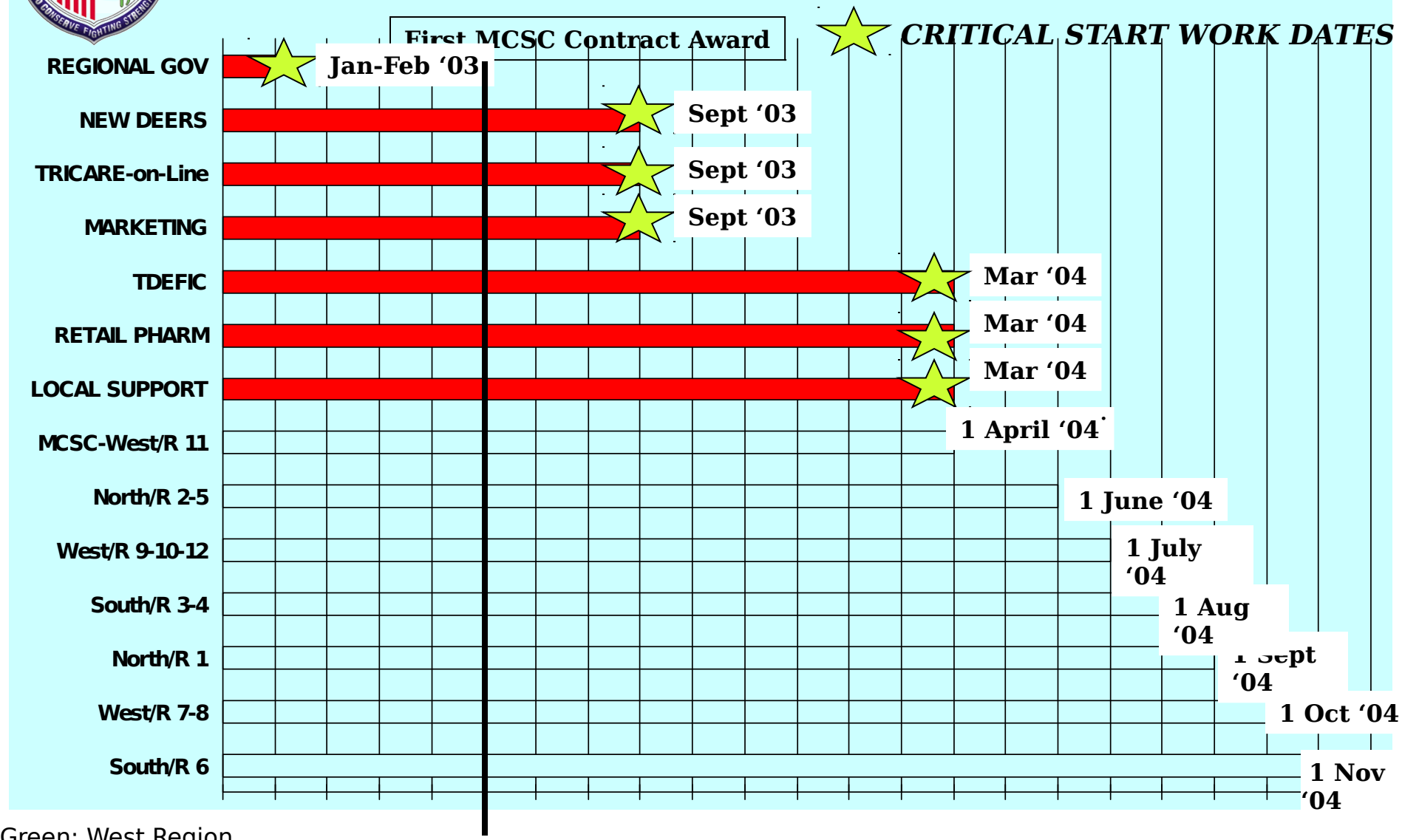
- **Managed Care Support Contracts (Healthcare/Admin)**
- **TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC)**
- **TRICARE Mail Order Pharmacy**
- **TRICARE Retail Pharmacy**
- **Marketing and Education Materials Contract**
- **Local Support Contracts***

Regional Contracts



AREAS	REGIONS	ELIGIBLES	CLAIMS
Northeast	1, 2 & 5	2,084,300	11,704,670
Southern	3,4 & 6	2,238,774	16,176,829

Simultaneous Transitions



Green: West Region
Blue: North Region
Gold: South Region

Updated as of October 1, 2002

Managed Care Support Contract (Healthcare/Admin RFP)

Contract Objectives

- **Optimization of Direct Care System**
- **High Beneficiary Satisfaction**
- **Best Commercial Practices**
- **Minimal Disruption During Transition**
- **Government Access to Data**

Contract Does Not Change…

- **TRICARE Benefit Package - Triple Option**
- **PCM Concept with Referrals**
- **PRO Authority Remains with Contractor**
- **TRICARE Prime Remote Program**
- **Appeals/Program Integrity Remain Essentially the Same**
- **Certification Standards for TRICARE Authorized Providers**
- **MTF Retains the Right of First Refusal for Referrals**
- **MTFs will Refer to Network Providers**

Contract Does Not Change… (cont)

- Network Access Standards
- Claim's Timeliness and Accuracy Standards
- Retain TRICARE Service Centers on Bases/Posts in Catchment Areas
- Regulatory Authorizations - Program for Persons with Disabilities, Inpatient Mental Health, Adjunctive Dental Care, Admissions to Residential Treatment Centers, etc.
- Network Complements MTF Capabilities and Encompasses Full Scope of Benefits

Contract Improvements

- Network Access Standards (96% standard)
- Network Accredited by a Nationally Recognized Accrediting Organization
- Sufficient Size and Specialties to Meet Access Standards
- Contractor will Maintain an Up-To-Date List of Network Providers (current w/i 30 days)
- All Claims Submitted Electronically (waivers can be granted)
- Requires Delinquent Payment Reminders for Prime Retirees
- Marketing and Education Material Designed Nationally (with Contractor Input) but Provided Locally by Contractor

Contract Improvements

- **Ensures Referral Reports Meet Time Standards**
  - **98%Within 10 Days for Specialty Care**
  - **98% Within 24 Hours for Emergent**
  - **Method of Transmission included in MTF MOU – Must be HIPAA compliant**
- **Monthly Audit Pulls to Verify Compliance /w Referral Standard**
- **Provides Benefit Coverage Review of Every MTF Referral – No medical necessity reviews**
- **10hrs/wk. Briefing Time at Discretion of CDR**
- **Commercial Enrollment Fee Payment Options**

Contract Improvements

- **Operate a Contemporary Medical Management (case management, utilization management, disease management) Program that Achieves the Objectives of the Contract.**
- **Contractor Provides MM Program for beneficiaries receiving care in civilian sector**
  - **High Cost Condition Management**
  - **Includes All Benes Authorized to Receive Reimbursement for Civilian Health Care as well as AD Members**
  - **Must Coordinate Care With MTF**

Contract Improvements

- **Enrollments, Re-Enrollments, Disenrollments, Transfers, TRICARE Plus Enrollment Accomplished by Contractor**
  - **Includes PCM by Name Assignment**
  - **Includes AD Members**
  - **Follows MTF Guidelines for Assigning MTF PCMs**
- **Ensures MTF Capacity Reached Before Enrolling to Network**
  - **MTF Commander May Make Exceptions**

Contract Improvements

- **Eliminates Prescriptive Requirements for the Following Allowing Contractor to Propose Best Practices:**
  - **Government-Mandated UM Criteria and Procedures**
  - **Government Directed Network Credentialing Standards**
  - **Specified Customer Service Department Procedures and Standards**
  - **Detailed Claims Processing Procedures**

Contract Improvements

- **Contractor, Regional Director and MTF Commander Ensure Most Efficient Mix of Health Care**
  - **Includes MHS and Contractor System Care**
  - **Develops a Documented Contingency Plan to the MTF Level for Wartime Deployments, OOTW, Training, etc.**
    - **Contractor participates in Contingency Exercise Bi-Annually**
    - **Contingency Plan In-Place Within 48 Hours of Notification**

Contract Improvements

- **Comply with DoD Minimum Security Requirements, C2 Requirements, Privacy Act Program Requirements, Personnel Security Program and the MHS AIS Security Policy Manual**
- **Ensure all Electronic Transactions Comply with HIPAA Rules**

Contract Improvements

- **All HBA and BCACs Have Read Only Access to Claims Data**
  - **Contractor Provides Training and Ongoing Support for Access**
- **Unlimited Read Only Access to all TRICARE Related Data**
  - **Authorizations Limited to 2 per MTF**
  - **RMCs and SG offices have access as well**
  - **Contractor Provides Training and Ongoing Support for Access**

Local Support Services
Army Cost Estimate
Summary

Million	Base Year (04-05)	OP1 (05-06)	OP2 (06-07)	OP3 (07-08)	OP4 (08-09)	5 Year Total
Appointing*	$ 16.5	$ 26.2	$ 27.8	$ 29.4	$ 31.1	$ 131.1
UM*	$ 4.6	$ 14.6	$ 15.4	$ 16.4	$ 17.3	$ 68.3
RS	$ 15.8	$ 104.7	$ 113.4	$ 120.1	$ 127.0	$ 481.0
HCIL*	$ 2.3	$ 7.3	$ 7.7	$ 8.2	$ 8.7	$ 34.2
HEAR*	$ 0.3	$ 1.1	$ 1.1	$ 1.2	$ 1.3	$ 5.0
Transcription	$ -	$ -	$ -	$ -	$ -	$ -
Army Total	$ 39.5	$ 153.9	$ 165.4	$ 175.2	$ 185.4	$ 719.5
* First year appointing, UM, HCIL, and HEAR includes one-time equipment purchases						

The figures above represent the best estimate of the cost for the Service to provide the function as it is currently provided by the MCSC.

New Governance and Organizational Structures

The Future for "Lead Agents"

- **Lead Agents cease to exist as they are currently organized and chartered on or about the start of health care delivery under TNEX in their regions.**

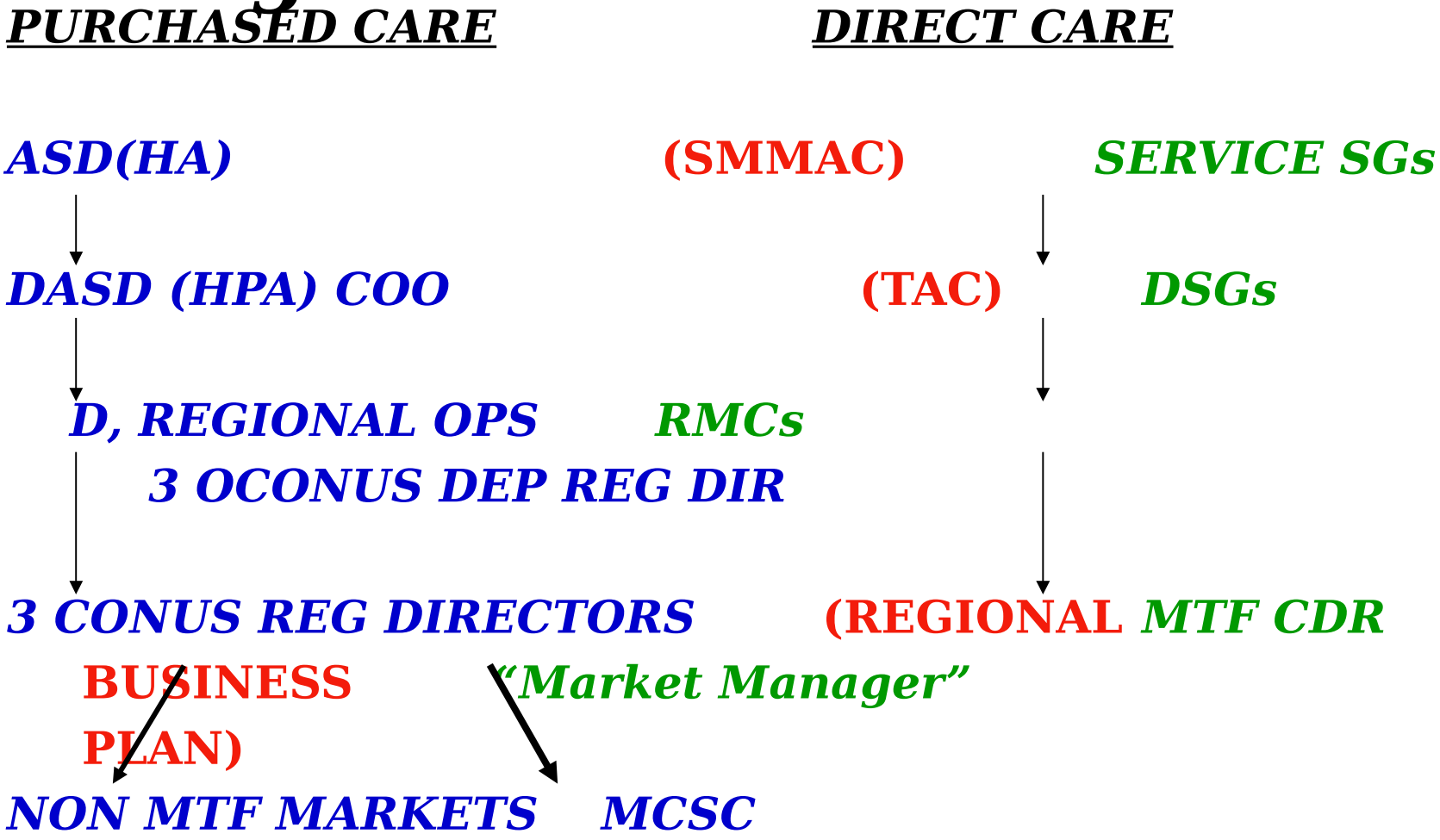
- **Have a key role with transitioning "in" the winning contractor and transitioning "out" the old contractors.**

- **Lead agent staff and functions disperse to : Regional Director staffs, multi- and single market management staff, or reassigned elsewhere.**

TNEX: New Roles and Terms

- **Market**
- **Market Manager**
- **Senior Market Manager (aka, SG designated lead market manager in overlapping catchment areas)**
- **Multi-Service markets (aka, overlapping catchment areas)**
- **Regional Director**
- **Business Plan**

New Governance and Organizational Structures



Market Management

Market Managers

- Manage/accountable for total care of MTF enrollees, including ADSM
- Work VA sharing
- Execute Readiness and Svc Msns
- Develop, execute, and monitor compliance with the business plan
- Provide care for contractor at risk to the extent possible and practical

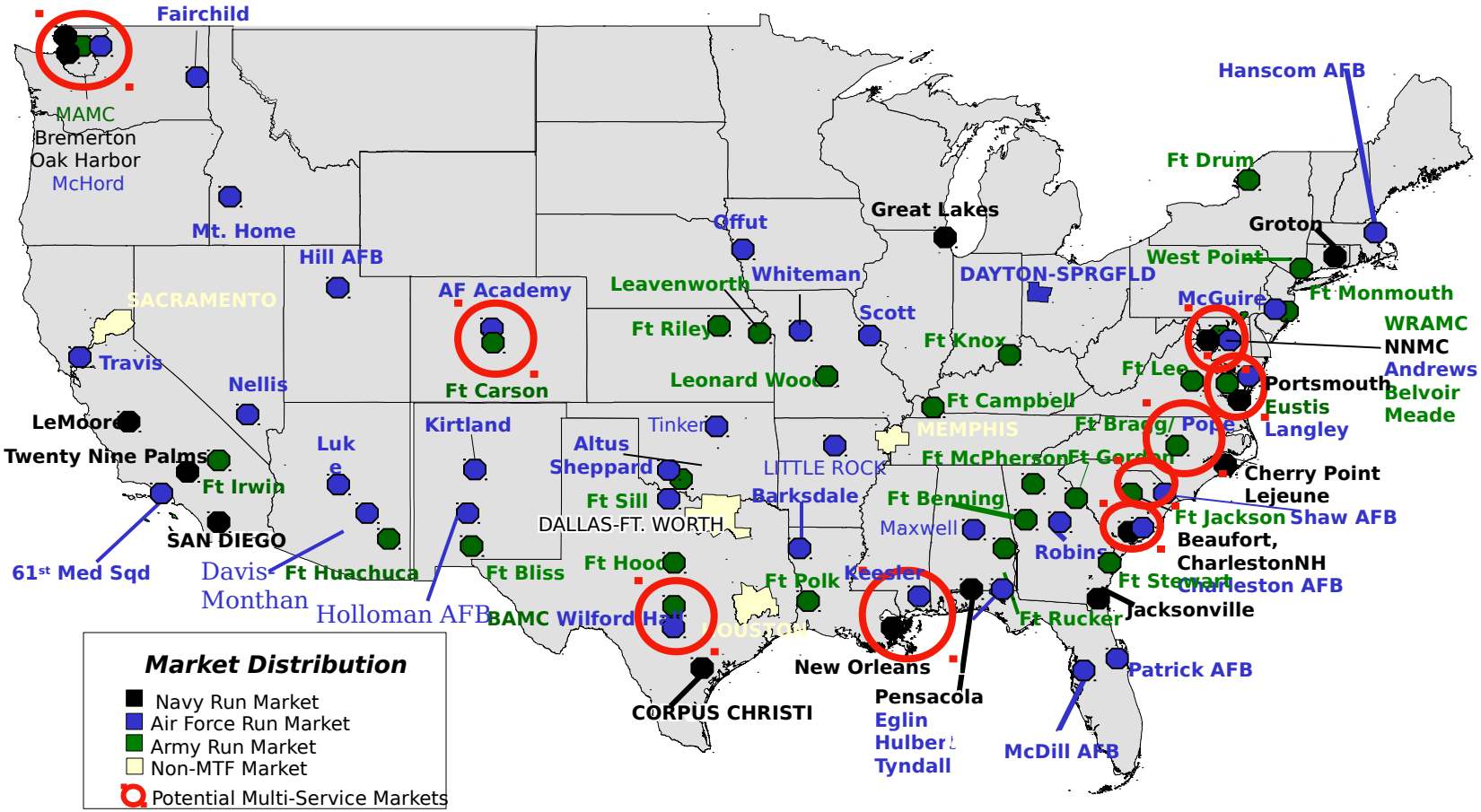
Senior, Lead Market Managers

- Selected by SGs
- Develop consolidated Business Plan
- Lead coordination and integration efforts among MTFs
- Ensure Unity of Effort
- Monitor Execution
- No command and control

Regional Directors

- Manage the benefit in the "white space"
- Execute the business plan for the "white space."
- Manage TNEX contracts
- Support MTF CDRS
- Integrate all business plans in the region to create a regional business plan.

Military Medical Markets (CONUS)



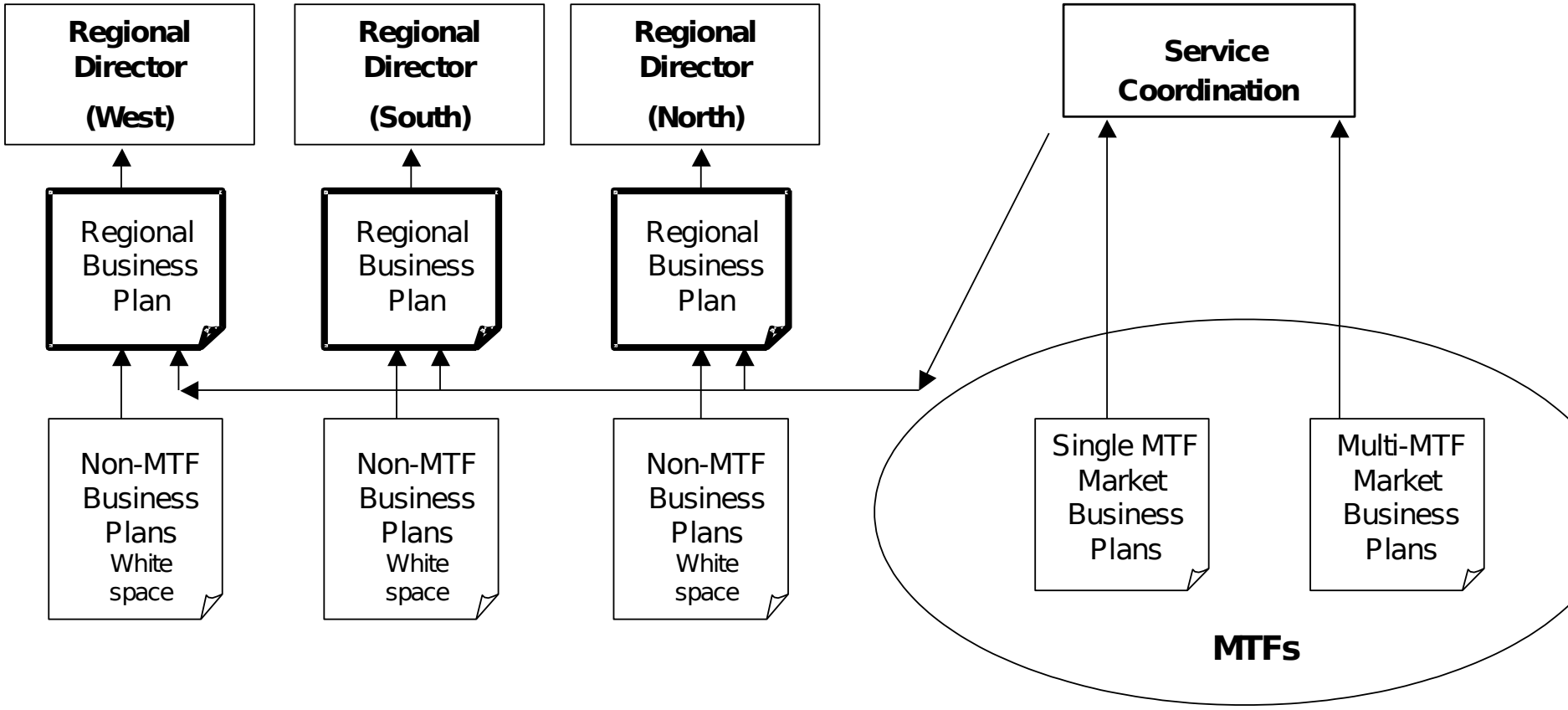
Multi-Service Markets & Senior Market Managers

- **National Capital Region – Cdr, WRAMC**
- **Portsmouth/Tidewater – Cdr, Portsmouth NH**
- **San Antonio – Cdr, Wilford Hall AFMC**
- **Colorado Springs – Cdr, Air Force Academy Hosp**
- **Puget Sound – Cdr, MAMC**
- **Hawaii – Cdr, TAMC**
- **Ft Jackson – Shaw AFB – Cdr, Moncrief ACH**
- **Ft Bragg – Pope AFB – Cdr, Womack AMC**
- **Biloxi – Cdr, Keesler AFMC (no Army MTF involved)**
- **Charleston – Cdr, Charleston NH (no Army MTF involved)**
- **Elmendorf/Fort Richardson Clinic – Cdr, Elmendorf**
- **Fort Wainwright/Eielson Clinic – Cdr, Wainwright**

The New Business of Business Planning

Format…Pending

Business Planning Approval Process



Approved MTF Business Plans are input for Regional Business Plans

Preparing for Transition to TNEX

T-NEX/MTF Transition Considerations

- **Knowledge is power..read the contract Statement of Work, the TNEX manuals, and tech proposal when you get it.**
- **The contractor will need to interface with you and your staff at predictable points (ex., referrals to network, bene briefings, contractor data access, etc.**
- **The are explicit and implicit new requirements for the MTF under TNEX (ex., business plan development, appointing, etc.**
- **Develop transition timeline (HCD = 1 Jun 04 (R2/5); 1 Aug 04 (R3/4))**

Organizing for T-NEX/MTF Transition: Lessons Learned (1994)

- **Communication/education plan for staff and beneficiaries is crucial**
- **Develop "speakers bureau" to brief major stakeholders**
  - **Internal stakeholders = MDs, nurses, administrators, techs, pharmacists, especially admin/clerk staff, etc.**
  - **External stakeholders = post military unit leadership (officer/enlisted), post commander, spouse groups, local retiree groups, local political entities**

Organizing for T-NEX/MTF Transition

- ***Communications content***: **what is TNEX, why change, what will change, what won't change, expected improvements under TNEX, emphasis on customer satisfaction and minimizing any disruption in service**
- ***Communications tactics***: **press releases, brief target audiences, brochures, web page, etc.**
- ***Start*** **no sooner than 6 mo. from start of health care delivery and intensify at 4 mo.**

MTF Transition Team

***Team leader*: Chief of Staff/DCA**

- **Team members:**
- **Dedicated admin assistant (manages meetings and tracking tool)**
  - **POC for enrollment issues (C, MC)**
  - **POC for IM/IT issues (C, IMD)**
  - **POC for customer service/marketing (PAO/marketing)**
  - **POC for health plan development (C, RM/PAE/MC)**
  - **POC for demand management (C, UM/CM)**
  - **POC for appointing/referral management (C, CSD)**
  - **POC primary care resource sharing(PC physician leader)**
  - **POC specialty care resource sharing (SC physician leader)**
  - **POC for local contracting (contracting rep)**
  - **POC QA**
  - **POC Nursing**

MTF Transition Team

- Action/problem solving oriented
- POC knows parts of the RFP, TRICARE manuals, and contractor technical proposal that pertain to their functional area
- Use issue tracking to identify issues/problems, assign responsibility, monitor progress
- Report to the commander at least weekly or right away for “hot” issues.

Suggested T-NEX– Prep Mission Process: General

- ✓ **Assess current MTF status re: appointing, primary enrollment, top 10 referrals out, demand management, referral management, patient satisfaction, meeting access standards, etc.**
- ✓ **Develop understanding of where you need to be on start of health care delivery re: new functions and requirements**
- ✓ **Develop MTF specific plans to get from current status to future state**
- ✓ **Execute the plan**
- ✓ **Assign a transition coordinator/manager**

Recommended Transition Prep Check List - Specific

- ✓ **Develop/execute *communication plan*: in-house/beneficiaries –educate, educate, educate**
- ✓ **Do *appointing* equipment/personnel assessment (Ann Bailey, Assoc.)**
- ✓ **Optimize *primary care* support staff/space to the extent possible – assess throughput efficiency**
- ✓ **Prepare to implement *IM/IT* initiatives, ex., CHCS file and table clean ups, TRICARE On Line, access to contractor data, read only access to TFL claims, TSC IT needs, etc.**

Recommended Transition Prep Check List, con't.

- ✓ **Organize/staff *referral management* process**
- ✓ **Organize/staff efficient/effective in house *UM/CM* functions – eliminate non-value added UM procedures**
- ✓ ***Optimize* support staff/throughput in high demand/high cost specialty care clinics**
- ✓ **Develop/draft *MCSC/MTF MOU* input**

Recommended Transition Prep Check List, con't.

- ✓ **Re-look at *enrollment* capacity – make sure active duty is enrolled**
- ✓ **Re-look *resource sharing* is it delivering per plan?**
- ✓ **Assign space for *TSC***
- ✓ **Organize/staff for *data analysis and business plan development and monitoring***

Questions ?